Washington State Auditor's Office Audit Report

Warden Conservation District Grant County

Audit Period January 1, 1997 through December 31, 1999

Report No. 62342



Issue Date
June 8, 2001

Audit Summary

Warden Conservation District Grant County January 1, 1997 through December 31, 1999

ABOUT THE AUDIT

This report contains the results of our independent three-year audit of the Warden Conservation District for the period January 1, 1997, through December 31, 1999.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated internal controls established by District management. Our work focused on specific areas that had potential for abuse or misuse of public resources. A special focus of our audit was the District's expenditure system.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined. During the current audit, there were no conditions noted that were significant enough to report as findings.

Table of Contents

Warden Conservation District Grant County January 1, 1997 through December 31, 1999

Description of the District	1
Audit Areas Examined	2
Audit Overview	3
Independent Auditor's Report on Compliance with State Laws and Regulations	4
Independent Auditor's Report on Financial Statements	5
Financial Statements	6

Description of the District

Warden Conservation District Grant County January 1, 1997 through December 31, 1999

ABOUT THE DISTRICT

The Warden Conservation District was established in 1953 to preserve and conserve the natural resources within its boundaries. The District is governed by a five-member Board of Supervisors. It employs one part-time employee to perform secretarial and accounting duties. The District acts as its own treasurer. The District relies on grant revenues from a number of environmental-related sources to perform its conservation duties. It receives less than \$50,000 in revenues each year and operates on an approximate \$35,000 budget.

ELECTED/APPOINTED OFFICIALS

These officials served during the audit period:

Board of Supervisors:

Chair John Preston

Bob Allison Don Underhill Dale Pomeroy Dave Kester

District Secretary Julie Reynolds

ADDRESS

District P.O. Box 177

Warden, WA 98857

Audit Areas Examined

Warden Conservation District Grant County January 1, 1997 through December 31, 1999

In keeping with general auditing practices, we do not examine every portion of the Warden Conservation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- · Code of ethics laws
- Travel reimbursements
- Open Public Meetings Act

- Legal and supported payments
- Bid laws
- Prevailing wage laws

INTERNAL CONTROL

We evaluated the following areas of the District's internal control structure:

Cash receipting

Expenditures and purchasing

FINANCIAL AREAS

In addition to the financial-related work listed in other categories, we audited the following areas:

- Revenues
- Cash

- Expenditures
- Investments

Audit Overview

Warden Conservation District Grant County January 1, 1997 through December 31, 1999

AUDIT HISTORY

We typically audit the Warden Conservation District on a three-year cycle. Prior audits have been free of findings. During the current audit, nothing was significant enough to report as a finding.

The District has been receptive and responsive to our recommendations. The District is concerned with internal controls and compliance with laws and regulations.

CONCLUSIONS

In the areas examined, we found the District to be within compliance with state laws and its own policies and procedures. We also found the District's financial statements were complete and accurate.

We thank District officials and personnel for their assistance and cooperation during the audit.

Independent Auditor's Report on Compliance with State Laws and Regulations

Warden Conservation District Grant County January 1, 1997 through December 31, 1999

Board of Supervisors Warden Conservation District Warden, Washington

We have audited the financial statements of the Warden Conservation District, Grant County, Washington, as of and for the years ended December 31, 1999, 1998 and 1997, and have issued our report thereon dated January 25, 2001.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

BRIAN SONNTAG, CGFM

STATE AUDITOR

January 25, 2001

Independent Auditor's Report on Financial Statements

Warden Conservation District Grant County January 1, 1997 through December 31, 1999

Board of Supervisors Warden Conservation District Warden, Washington

We have audited the accompanying financial statements of the Warden Conservation District, Grant County, Washington, for the years ended December 31, 1999, 1998 and 1997. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Warden Conservation District for the years ended December 31, 1999, 1998 and 1997, on the cash basis of accounting described in Note 1.

BRIAN SONNTAG, CGFM

STATE AUDITOR

January 25, 2001

Financial Statements

Warden Conservation District Grant County January 1, 1997 through December 31, 1999

FINANCIAL STATEMENTS

Revenues and Expenses Arising From Cash Transactions – 1999 Revenues and Expenses Arising From Cash Transactions – 1998 Revenues and Expenses Arising From Cash Transactions – 1997 Notes to Financial Statements – 1999, 1998 and 1997